

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF WASHINGTON

In the Matter of the Application
regarding the Conversion and
Acquisition of Control of Premera Blue
Cross and its Affiliates

Docket No. G02-45

SPECIAL MASTER’S ORDER ON
OBJECTIONS TO PREMERA’S “AEO”
AND “CONFIDENTIAL”
DESIGNATIONS

The Commissioner’s Seventeenth Order, Paragraph 2.a., provides: “By close of business October 27, 2003, the [OIC] Staff will provide its final expert reports to the Commissioner and Premera. Premera has until 10:00 a.m. on October 30, 2003, to designate protected information in accordance with the Eighth Order [Protective Order], at which time it will provide copies of the reports so designated to the OIC Staff and the Interveners.... By close of business on November 3, 2003, the OIC Staff and the Interveners may file objections to designations made by Premera with the Special Master. By close of business on November 5, 2003, Premera may respond to any filed objections. The burden is on Premera to prove that its designations are proper.”

Premera timely proposed certain redactions to the OIC final expert reports. This matter now comes before me pursuant to the “OIC Staff’s objections to Premera’s proposed redactions to the consultant’s reports,” and the Interveners’ “Objections to Premera’s ‘AEO’ and ‘Confidential’ designations,” both dated November 3, 2003. I have considered such objections, as well as “Premera’s reply to the OIC Staff’s and Interveners’ objections to Premera’s proposed redactions to the consultants’ reports,” dated November 5, 2003.

The OIC Staff retained the services of a variety of consultants (investment banking, actuarial, accounting, tax, legal and antitrust economics) to assist in evaluating Premera's proposed conversion from non-profit to for-profit status. The OIC Staff's consultants prepared final expert reports, which were provided to Premera. Premera then proposed redactions to the reports. In some cases, OIC Staff and the Interveners accept such proposed redactions as providing appropriate protection for Premera's confidential and proprietary information. In other cases, OIC Staff and the Interveners view Premera's proposed redactions as going too far and ask that I order disclosure.

The parties substantially agree that the following statutes and orders should inform my rulings on Premera's proposed redactions:

1. The Public Disclosure Act ("PDA") generally requires public agencies to make all public records "available for public inspection and copying." RCW 42.17.260(1). A public record "includes any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used or retained by any state or local agency regardless of physical form or characteristics." RCW 42.17.020. The OIC consultants' reports are therefore "public records" under the PDA.

2. RCW 42.17.31917 exempts from PDA disclosure "[c]onfidential proprietary and trade secret information provided to the [Insurance Commissioner] under RCW 48.31C.020 through 48.31C.050 and 48.31C.070" (the governing statutes in this conversion proceeding).

3. RCW 42.17.310(1)(h) exempts from PDA disclosure “valuable formulae, designs, drawings, computer source code or object code, and research data obtained by any agency within five years of the request for disclosure when disclosure would produce private gain and public loss.” The purpose of such exemption is to protect “recently acquired intellectual property from being converted to private gain.” *Progressive Animal Welfare Society v. University of Washington*, 125 Wash.2d 243, 255, 884 P.2d 592 (1995).

4. RCW 42.17.260(1) incorporates into the PDA any “other statute that exempts or prohibits disclosure of specific information or records.” In the case of a conflict between the PDA and any other statute, the provisions of the PDA govern. RCW 42.17.920.

5. The Uniform Trade Secrets Act (“UTSA”), Ch. 19.108 RCW, is an “other statute that exempts or prohibits disclosure” under RCW 42.17.260(1), *supra*. The UTSA, RCW 19.108.010(4), defines a trade secret as “information, including a formula, pattern, compilation, program, device, method, technique, or process that: (a) Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.”

No trade secret protection exists if the information at issue “is generally known to or readily ascertainable by other persons who can obtain economic value from its disclosure or use.” *Precision Moulding v. Simpson Door*, 77 Wash.App.20, 26-27, 888 P.2d 1239 (1995).

6. The Holding Company Act for Health Care Service Contractors and Health Maintenance Organizations, RCW 48.31C.130, exempts from disclosure “[c]onfidential proprietary and trade secret information provided to the [Insurance Commissioner] under RCW 48.31C.020 through 48.31C.050 and 48.31C.070.” (The Commissioner may, however, publish such information related to this conversion proceeding as he “reasonably deems appropriate and sensitive to the interest in preserving confidential proprietary and trade secret information,” if he determines after notice and hearing that the “interest of policyholders, subscribers, members, shareholders, or the public will be served by the publication.”)

7. The Protective Order, p. 6-7, Paragraph 1(a), permits a party to designate as “Confidential Information” material “that contains proprietary data, know-how, other valuable commercial information, or personal information involving a subscriber, member, officer, director, or employee.”

8. The Protective Order, p. 7, Paragraph 1(b), permits a party to designate as Attorneys’ Eyes Only (“AEO”) materials that contain trade secrets. “Trade secret” is defined “as stated in RCW 19.108.010(4); i.e., information that derives economic value, actual or potential, from not being generally known to, or not being readily ascertainable by proper means by, other persons who can obtain competitive advantage or economic value from its disclosure or use. ‘Trade secrets’ shall also have the meaning of sensitive financial or actuarial data/information integral to the business operation of a party for which the party has a demonstrable interest in avoiding disclosure.”

9. The Protective Order, p. 13, Paragraph 6(b), bars the designation of material as protected when it has already been made public: “The parties will not designate as Confidential Information or Attorneys’ Eyes Only Information any document or information that has previously been disclosed voluntarily and without any claim of confidentiality....”

Premera’s interest in redacting portions of the final expert reports is understandable. Absent this conversion proceeding, certain information in such reports which is hereby ordered disclosed would not be revealed to Premera’s competitors or to the public. This Order is, however, guided by the proposition that “[t]he burden is on Premera to prove that its designations are proper.”

The following matrix identifies the OIC final expert reports at issue, the page numbers of Premera’s proposed redactions to such reports, the “redaction numbers” that OIC assigned for convenience of reference, and my rulings, which are based on the statutes and orders discussed above. Where the “Rulings” column indicates “withdrawn,” Premera has withdrawn its former objection to disclosure, and the referenced material shall be disclosed. Where the Rulings column indicates “disclose,” I have overruled Premera’s objection to disclosure, and the referenced material shall be disclosed. Where the rulings column indicates “sustained,” I have sustained Premera’s proposed redaction.

Rulings sustaining Premera’s proposed redactions are without prejudice to later disclosure of the redacted material if 1) the Commissioner determines under RCW 48.31C.130 that such disclosure is appropriate (see Paragraph 6, above); 2) such material

or related material is demonstrated to have been made public (see Paragraph 6(b), Protective Order); or 3) for other good cause shown.

DATED this 17th day of November, 2003.

George Finkle
Superior Court Judge, Retired
Special Master

Report 1: Antitrust Review by Keith Leffler

Page	Redaction Number (OIC)	Ruling
3	1-1	Disclose. How Premera sets its premiums constitutes sensitive information. Premera's proposed redaction, however, is of the consultant's conclusion, based on his thought processes, and does not reveal significant proprietary data, know-how, other valuable commercial information, or personal information (hereinafter collectively "proprietary data") or trade secrets.
4	1-3	Disclose. See 1-1.
22	1-5	Withdrawn.
27	1-6	Disclose. Though the statement describes Premera's reimbursement rates in comparison to First Choice network's rates, this generalization does not reveal significant proprietary data or trade secrets.
28	1-8	Disclose. Premera represents that the source for this information is a survey by the Blue Cross organization received by Premera on a confidential basis. OIC Staff (hereinafter "OIC") has not supported its assertion that this information is available from public sources. However, Premera's observation in the sentence at issue is a generalization and does not reveal significant proprietary data or trade secrets.
31	1-11	Disclose. Information as to statewide individual policy premiums appears to be available on Premera's website.
31	1-12	Withdrawn, as to the first sentence. Sustained as to the balance, which reveals significant proprietary data or trade secrets
34	1-17	Disclose the last sentence of the proposed redaction. The first part of the proposed redaction includes detailed proprietary data and trade secrets. The last sentence is a generalization that does not reveal significant proprietary data or trade secrets.
38	1-27 and 1-28	Withdrawn.
39	1-29	Disclose. The statement is a conclusion. Proprietary data or trade secrets, if such underlie the conclusion, cannot be derived from it.
39	1-30	Disclose. See 1-29.
40	1-31	Withdrawn, without prejudice to Premera's position as to redaction of Table 4.
40	1-32	Disclose. This passage represents the consultant's conclusions and does not reveal significant proprietary data or trade secrets.
40	1-33	Disclose. See 1-32
40	1-35	Sustained. The OIC characterized this passage as "appropriate for redaction." Interveners do not identify a source for their assertion that the information about Premera's rates is "well known." Premera's rate-setting methodology constitutes sensitive competitive information.
41	1-36	Sustained. See 1-35.
44	1-42	Disclose. The redacted passage is a conclusion, which does not reveal significant proprietary data or trade secrets.
44	1-44	Withdrawn.
45	1-45	Sustained. The OIC characterized this passage as "appropriate for redaction." The Interveners do not cite to a public source for the information.

Tables 4-A, 4-B, 4-C	1-47 and 1-48	Sustained. The tables are based on Premera's non-public proprietary information. Such information appears to include sensitive actuarial data integral to Premera's business operations as to which it has a demonstrable interest in avoiding disclosure.
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Report 2: Economic Impact Analysis by PriceWaterhouseCoopers

Page	Redaction Number (OIC)	Ruling
ES-4	2-1	Disclose. This passage represents the consultant's opinion without articulating the factual premises. The reader would not be able to infer significant proprietary data or trade secrets.
ES-5	2-2	Sustained. The redacted statement reveals substantive information concerning Premera's present financial projections, which are not public and constitute significant proprietary data or trade secrets.
ES-5	2-3	Withdrawn.
ES-5	2-4	Disclose. See 2-1.
ES-6	2-5	Disclose. See 2.1.
ES-6	2-6	Disclose. See 2.1.
ES-6	2-7 and 2-8	Disclose. See 2.1.
ES-6	2-9	Disclose. The possibility of later disclosure of material in an IPO does not in itself justify disclosure for purposes of this conversion proceeding. However, this passage appears to reflect the consultant's conclusions as to tax rates and not to reveal significant proprietary data or trade secrets.
ES-6	2-10	Withdrawn as to first sentence. Sustained as to the second sentence, which discloses non-public competitively sensitive information concerning Premera's business-planning assumptions, which constitute significant proprietary data and trade secrets.
ES-6	2-11	Sustained. The Interveners do not object to this redaction. The OIC concedes that certain portions of this passage are properly redacted. With the necessary redactions to protect proprietary data and trade secrets, the balance of this passage would be rendered meaningless.
ES-7	2-13	Withdrawn.
ES-7	2-14	Disclose. The passage does not include specific proprietary factual information about Premera's relative reimbursement levels and does not reveal significant proprietary data or trade secrets.
ES-7	2-15	Sustained as to the first sentence. Disclose the balance of this passage. The OIC does not support its assertion that the substance of the first sentence is available from public sources. The balance of the passage reflects the consultant's conclusions; Premera has not demonstrated that these reveal significant proprietary data or trade secrets.
ES-8	2-16	Sustained as to the first sentence, which discusses Premera's operating margin assumptions, which constitute significant proprietary data or trade secrets. Disclose the balance of the passage, which is generalized and does not.
ES-8	2-17	Disclose. This passage provides the consultant's conclusions and does not reveal significant proprietary data or trade secrets.
ES-8	2-18	Disclose. This passage may reflect Premera's reimbursement levels by gross regional generalization, but such do not constitute significant proprietary data or trade secrets.
ES-8	2-19	Sustained. With the necessary redactions to protect proprietary data and trade secrets, as agreed by OIC, the balance of this passage would be rendered meaningless.
ES-8	2-20	Withdrawn.

ES-9	2-22	Disclose. This passage provides the consultant's conclusions and does not reveal significant proprietary data or trade secrets
ES-9	2-23	Sustained as to first sentence, which indicates Premera's growth targets and modeling and would reveal significant proprietary data and trade secrets. Disclose the balance, which is conclusory.
6	2-24	Withdrawn.
10	2-25	Sustained. The OIC does not support the assertion that this material is available from public sources. Premera's pricing goals for the Dimensions product constitute significant proprietary data and trade secrets. Interveners have not objected to this redaction.
10	2-26	Sustained. See 2-25.
11	2-27	Disclose. The passage refers to an assumption regarding Premera's "target operating margin" for government related business. This appears to reflect the consultant's views, not proprietary data, and does not constitute significant proprietary data or trade secrets.
11	2-28	Disclose. See 2-27.
45	2-29	Sustained. This passage describes Premera's rate-setting practices, which are competitively sensitive. (Interveners do not object to redaction; OIC contests only redaction of first sentence.)
45-47	2-30	Disclose. Except, sustained as to the first full paragraph on p. 46, beginning "The company reports..." and the second paragraph on p. 46-47 beginning "Premera uses..." and ending "co-payment requirements." The remainder of this passage does not reveal significant proprietary data or trade secrets.
46	2-31	Withdrawn. . Premera agrees with the OIC's proposed modification to this redaction.
47	2-32 and 2-33	Disclose the sentences beginning "Area factors" and "They suggest," which contain no specific data and do not reveal significant proprietary data or trade secrets. Sustained as to the balance of these passages, which do
48	2-34	Disclose all redacted portions of p. 48, which is a generalization and does not include significant proprietary data or trade secrets. (Premera has already agreed to release paragraph 3 of p. 48.) Sustained as to the balance of this passage, which includes specific data and business plans/expectations constituting significant proprietary data and trade secrets. The OIC provides no support for its assertion that this material is available from public sources, and its agreed redactions would render the remainder meaningless.
54	2-37	Disclose. This general description of Premera's business methods does not reveal significant proprietary data or trade secrets.
55	2-38	Withdrawn.
56	2-39 and 2-40	Sustained. The OIC and Interveners do not support their contention that the data set forth in the tables at issue is public. Such data appear to reflect significant proprietary data and trade secrets.
57	2-41	Sustained. Premera represents that the source documents cited by the consultant are non-public reports created by Premera for the consultants. Neither OIC nor the Interveners support the assertion that such reports or their contents are public

		documents. Details of profitability of the Medicare Supplement business constitute significant proprietary data or trade secrets.
58	2-43	Disclose, except for Table 7-5. This table reveals Small Group profitability, which constitute significant proprietary data and trade secrets. The balance of the passage does not appear to reflect significant proprietary data or trade secrets.
60	2-45 and 2-46	Sustained as to 2-45 and Table 7-8, which set out the details of the profitability of Small and Large Group accounts. Disclose the balance of this passage, which is a generalization and does not reveal significant proprietary data or trade secrets.
62	2-48	Sustained. The OIC agrees that redaction is appropriate. The table reveals information about Premera's ASC profitability, which is competitively sensitive. The Interveners provide no support for their assertion that the information in Table 7-10 is public. The Interveners did not object to redaction of Table 7-6, which has equivalent information for Small Group accounts by geographic region.
62	2-49	Withdrawn.
63	2-50	Sustained, except as withdrawn. The OIC concedes that certain portions are appropriately redacted. Premera asserts that the source documents cited by the consultant are non-public reports created by Premera for the consultants. Premera withdraws its proposed redaction with respect to the first and third rows of data in Table 7-11. The OIC provides no support for its assertion that the other information in Table 7-11 is public. Premera's target operating margins constitute significant proprietary data and trade secrets.
65	2-51	Sustained. Operating margins are significant proprietary data and trade secrets; with their redaction, the balance of this passage is rendered meaningless.
65	2-52	Withdrawn. .
66	2-54	Sustained. See 2-51.
66	2-58	Sustained. See 2-2.
68	2-60	Sustained. Membership, benefit expense ratio and rate increase expectations constitute significant proprietary data and trade secrets. With their redaction (as substantially agreed by OIC) the balance of this passage is rendered meaningless. Interveners have not objected to this redaction.
69	2-61	Sustained. Projections of enrollment growth constitute significant proprietary data and trade secrets. The possibility of later disclosure in an IPO does not justify current disclosure.
69	2-62	Disclose fn. 59, as agreed by Premera. Sustained as to fn. 58, as agreed by OIC and not opposed by Interveners.
72	2-70	Sustained. The OIC concedes that certain portions of this passage are properly redacted. After the OIC's proposed redactions, the remainder of the passage would be rendered meaningless.
73 and 74	2-73 and 2-74	Sustained. Premera's Operating Margins relative to projections constitute significant proprietary data and trade secrets, which are neither conclusory nor established to have been made public.
89	2-75	Withdrawn.
90	2-76	Sustained. Financial projection model trends constitute significant proprietary data and trade secrets. The OIC

		concedes that the numbers in this table are properly redacted. After the OIC's proposed redaction, however, the remainder of the passage is rendered meaningless. .
91	2-77	Sustained. The OIC characterizes this passage as a conclusion, but Premera's 2007 market-based target operating margins, which PwC used in its model, constitute significant proprietary data and trade secrets. .
91	2-78	Sustained. Premera's projection modeling of operating margins constitutes proprietary data and trade secrets. The OIC concedes that certain portions of this passage are properly redacted. After the OIC's proposed modification, however, the remainder of the passage would be rendered meaningless.
92	2-79	Disclose. This passage primarily reflects the consultant's conclusions and does not reveal significant proprietary data or trade secrets.
92	2-80	Withdrawn as to the proposed redaction of the first paragraph. Sustained as to the second paragraph, except for the last sentence. The OIC concedes that certain portions of the second paragraph are properly redacted. Taking out the percentages from the second paragraph would render it unintelligible; The last sentence is the consultant's conclusion and does not reveal the underlying assumptions.
92	2-81	Withdrawn as to footnote 74. Sustained as to footnote 75. Footnote 75 relates to 2-80, above, the redaction of which was sustained. The OIC concedes that the first half of footnote 75 should be redacted; After the OIC's proposed redaction, however, the remainder of the passage would be meaningless.
94	2-82	Withdrawn.
95	2-83	Sustained. The OIC concedes the appropriateness of redacting the data in the table, but not the table itself. After the OIC's proposed redaction, however, the resulting blank table would be meaningless. Interveners do not object to this redaction.
96	2-84	Sustained. See 2-83.
97-98	2-85	Disclose text preceding Table 9-4. This text, while it characterizes Table 9-4, is the consultant's conclusion and does not reveal significant proprietary data or trade secrets. Sustained as to Table 9-4. The OIC concedes the appropriateness of redacting the data in the table and the following paragraphs, but not the table or paragraphs themselves. After the OIC's proposed modification, however, the resulting blank table and paragraph would be meaningless.
99	2-86	Sustained. The OIC concedes the appropriateness of redacting the data in the table and the following comment, but not the table itself. After the OIC's proposed modification, however, the resulting blank table would be meaningless.
99	2-87	Sustained. See 2-86.
100	2-88	Sustained. See 2-86.
112	2-89	Disclose. This passage reflects the conclusions of the consultant. Such conclusions may be founded in part on a financial model using Premera's data, but such data are not set forth. The passage does not reveal significant proprietary data or trade secrets. .
114	2-90	Disclose. See 2-89.
114	2-91	Withdrawn as to the first two paragraphs. Disclose the third paragraph, except for the specific target margin, which appears

		to be significant proprietary data and a trade secret. (Delete the number before “%.”). The balance of the paragraph reflects the conclusions of the consultant and does not reveal significant proprietary data or trade secrets. See also 2-89.
115	2-92; 2-93; 2-94	Disclose, except for the specific % gain/loss in 2-93 and 2-94. The balance of this passage is the consultant’s conclusion. See 2-89.
115	2-95	Sustained. Interveners do not object to this redaction. The OIC’s proposed redaction would render the balance of this passage meaningless.
115	2-96	Sustained. The OIC concedes that certain portions of this passage are properly redacted. After the OIC’s proposed modification, however, the remainder of the passages would be meaningless. The Interveners characterize this passage as the consultant’s conclusion, but it appears to be the consultant’s summary of Premera’s significant proprietary data and trade secrets.
116	2-97	Sustained. The OIC considers this appropriate for redaction. Premera’s operating results have not been shown to already be public, and these constitute significant proprietary data and trade secrets.
116	2-98	Sustained. This passage sets out Premera’s target operating margins by line of business, which constitute significant proprietary data and trade secrets.
117	2-99	Withdrawn.
117	2-100	Sustained. Interveners do not object to this redaction. The OIC concedes that certain portions of this passage are properly redacted. After the OIC’s proposed modification, however, the remainder of the passage would be meaningless.
118	2-102	Sustained as to the first sentence. After the OIC’s proposed modification of the first sentence, the remainder of the sentence would be meaningless Withdrawn as to the second sentence. Disclose the third sentence, which is conclusory and does not reveal significant proprietary data or trade secrets.
118	2-103	Withdrawn as to the last paragraph. Sustained as to the balance of this passage. After the OIC’s proposed redactions, the remainder of the passage would be meaningless.
119	2-104	Disclose, except that paragraph 2 of this passage beginning with “The number of members” may be redacted. This passage is substantially the consultant’s generalizations and conclusions which, though they may be founded on Premera’s data, do not reveal significant proprietary data or trade secrets.
119	2-105	Disclose. See 2-104.
120	2-106	Disclose. See 2-104.
120, 121	2-107; 2-108	Disclose. See 2-89.
121	2-109	Disclose. See 2-89.
122	2-110; 2-111	Disclose, except for the second sentence in paragraph 2, beginning “The model projects,” which states Premera’s projected operating gain and reveals significant proprietary data or trade secrets. See 2-89.
123	2-112	Disclose paragraph 2, beginning “If Premera does not retain,” and paragraph 3, beginning “This analysis,” except the sentence beginning “For example.” Disclose the section “Cost to Develop New Products.” Sustained as to the balance of this passage. The portions directed to be disclosed do not reveal

		significant proprietary data or trade secrets. The balance do.
124	2-113	Sustained. The OIC agrees that this passage is appropriate for redaction; Interveners assert that the information is publicly available but do not cite to a source for it. Premera's line of business profitability is significant proprietary data or trade secrets.
125	2-114	Sustained. Much of the redacted material concerns Premera management's expectations, expressed numerically, and plans for achieving cost reductions, none of which have been demonstrated to be public and all of which appear to constitute significant proprietary data and trade secrets.
125-126	2-115	Disclose, except for the operating margin number preceding the % sign in the first sentence, which constitutes significant proprietary data and a trade secret. See 2-89.
126	2-116	Disclose. See 2-89. .
126	2-117	Disclose, except for the numbers preceding the "%" signs. As to the balance of this passage, see 2-89.
126	2-118	Sustained. The OIC considers this redaction appropriate. Operating trends constitute significant proprietary data and trade secrets.
127	2-119	Disclose the first two sentences. (See 2-89.) Sustained as to the balance of this paragraph, which reveals target margins, which constituting significant proprietary data and trade secrets. .

Report 3: Accounting and Tax Evaluation by PriceWaterhouseCoopers

Page	Redaction Number (OIC)	Ruling
2	3-1	Withdrawn.
11	3-2; 3-3	Withdrawn.
12	3-4 through 3-8	Disclose. These passages appear to relate to non-public information concerning Premera's investment practices, but do not reveal significant proprietary data or trade secrets.
12	3-9	Withdrawn.
13	3-10	Disclose. Premera states that the \$23.6 million figure for impairment charges for 2002 can be found in Premera's Annual Report. As to the balance of this passage, see 3-4.
13	3-11 and 3-12	Disclose. See 3-4.
13	3-13	Withdrawn.
13	3-14	Disclose. See 3-4.
14	3-15 and 3-16	Withdrawn.
15	3-17	Withdrawn as to the table. Disclose the balance of this passage. Though the possibility of later disclosure in an IPO does not justify current disclosure, this passage is conclusory and does not reveal significant proprietary data or trade secrets.
16	3-18	Disclose. See 3-17.
16	3-19	Withdrawn.
17	3-20	Withdrawn.
17 – 18	3-21 through 3-23	Disclose, except as to 3-23, sentence 2, beginning, "However, Premera is," which reveals significant proprietary data and trade secrets related to business plans. See 3-17.
18	3-25	Sustained. The passage alludes to a non-public tax issue which the OIC concedes is appropriate for redaction (see 3-24). The opinions expressed disclose the nature of the dispute.
28	3-26	Withdrawn.
29	3-27 and 3-28	Sustained. The passages disclose non-public information concerning Premera's internal accounting practices. Disclosure would reveal significant proprietary data and trade secrets.
29	3-29	Withdrawn.
30	3-32	Sustained as to the first sentence, which reveals non-public competitively sensitive information concerning Premera's unpaid claims liability. That such information may need to be disclosed in an IPO does not justify its disclosure at this time. Withdrawn as to the second sentence.
30	3-33	Withdrawn.
30	3-35	Withdrawn.
31	3-36	Disclose. This passage contains general observations about Premera's investment controls and policies. The passage does not reveal significant proprietary data or trade secrets.
32	3-38	Withdrawn as to the first and second sentences. Sustained as to the third sentence, which discloses detailed data on portfolio turns--significant proprietary data and trade secrets.
32	3-39	Withdrawn.
32	3-40	Sustained. The passage discloses detailed non-public information concerning Premera's impairment criteria and investment practices, which constitutes significant proprietary data and trade secrets.
33	3-41 through 3-43	Withdrawn.
34	3-44	Disclose. The passage does not reveal significant proprietary

		data or trade secrets concerning Premera's investment history, practices and strategy, beyond the scope of 3-42, 3-43, 3-45 and 3-46. .
34	3-45 and 3-46	Withdrawn.
34	3-47	Disclose. See 3-44.
34-35	3-48 and 3-49	Withdrawn.
35	3-50	Sustained. The passages disclose non-public, potentially sensitive information concerning Premera's internal accounting and investment practices. The possibility of later disclosure in an IPO does not justify current disclosure.
35	3-51	Withdrawn.
35	3-52	Disclose. The passage does not disclose significant non-public, potentially sensitive information concerning Premera's investment history, practices and strategy beyond the scope of 3-49, 3-50, and 3-51.
36	3-53 through 3-58	Withdrawn.
36	3-59	Sustained. This passage relates to impairment charges, which appear to be non-public, potentially sensitive information concerning Premera's investment history, practices and strategy (see 3-120). .
36	3-60	Withdrawn with respect to the first paragraph. The second paragraph discloses non-public information concerning the details of Premera's investment history, practices and strategy, which constitute significant proprietary data and trade secrets.
37	3-61	Sustained. See 3-60.
37	3-62 and 3-63	Withdrawn.
38	3-64 through 3-67	Withdrawn.
39	3-69	Withdrawn.
39	3-70	Disclose. The passage is a conclusion by the consultant based on a generalization about the data and does not reveal significant proprietary data or trade secrets.
40	3-71	Withdrawn.
40	3-72	Sustained. Though in part this passage expresses the consultant's opinion, it discloses accounting detail concerning Premera's RBC ratio, which constitutes significant proprietary data and trade secrets.
40 – 41	3-73 through 3-75	Withdrawn.
41	3-76	Disclose. The passage does not appear to be different in kind from the surrounding passages, as to which Premera has withdrawn its redactions, and does not reveal significant proprietary data or trade secrets.
41	3-77 through 3-79	Withdrawn.
42	3-80 through 3-84	Withdrawn.
43	3-86	Disclose. The first sentence is the consultant's conclusion, which does not reveal the details of 3-85 (redacted by agreement). Withdrawn as to the second sentence.
44	3-88 through 3-90	Withdrawn.
45	3-91	Sustained. The OIC considers redaction of this page appropriate. Interveners maintain that the information is publicly available, citing to Premera's annual report. Premera represents that the only items in the table in 3-91 that can be found in public documents are the rows titled "Total allowance for bad debt", "Net A/R", and Allowance as % of A/R". Premera withdraws its redaction with respect to those items. Neither the annual report nor any other publicly-available

		document has been shown to include the balance of the detail regarding the accounts receivable aging analysis, as disclosed in 3-91. This constitutes significant proprietary data and trade secrets.
49	3-95	Sustained. The OIC considers redaction of this passage appropriate. Interveners maintain that the information is publicly available, citing to Premera's annual report. Premera represents that the only items in the table in 3-95 that are publicly-available are titled "Land, Building & Improvements", "Software capitalized", and "Net PP&E". Premera withdraws its redaction with respect to those items. Premera represents that neither the annual report nor any other publicly-available document includes the balance of the detail regarding the P, P & E analysis in 3-95 as the consultant derived it from Premera's non-public general ledger. This material appears to constitute significant proprietary data and trade secrets.
49	3-96	Sustained. The passage discloses detail concerning Premera's depreciation policies, which constitutes significant proprietary data or trade secrets. The possibility of later disclosure in an IPO does not justify current disclosure.
51	3-99	Sustained. The passage discloses details related to Premera's leasing arrangements, which constitute significant proprietary data and trade secrets. The possibility of later disclosure in an IPO does not justify current disclosure.
51	3-101	Withdrawn.
52	3-104	Disclose. Premera's redaction is withdrawn, except as to the last sentence of the passage. This sentence reflects the consultant's opinion, which does not state the underlying factual data revealing significant proprietary data or trade secrets.
52	3-105	Withdrawn.
53	3-106	Sustained, except as withdrawn. The OIC considers redaction of this page appropriate. Premera represents that the only items in the table in 3-106 that are publicly-available are titled "Administrative fees", "Other income", "Premiums per I.S.", and "Unearned Premium Total". Premera withdraws its redaction with respect to those items. The balance of this detailed data appears to reveal significant proprietary data and trade secrets.
55	3-108	Sustained. The OIC considers redaction of this page appropriate. Premera represents that the only item in the table in 3-108 that is publicly-available is the row at the bottom of the table containing the totals. Premera withdraws its redaction with respect to that row. Premera represents that neither the annual report nor any other publicly-available document includes the balance of the detail regarding the Accounts Payable analysis in 3-108, as the consultant derived it from Premera's non-public general ledger. The balance of this detailed data appears to reveal significant proprietary data and trade secrets.
57 – 58	3-110	Disclose. Withdrawn as to the table and the first paragraph of text thereunder. The second paragraph does not reveal significant proprietary data or trade secrets beyond the scope of the table and first paragraph of this passage.
58	3-111	Disclose. Premera agrees that the 4% and \$13 million figures

		are publicly-available and withdraws its redactions with respect thereto. The balance of this passage does not appear to include significant proprietary data or trade secrets beyond the general scope of such previous disclosures.
60	3-112	Disclose. Withdrawn with respect to the table. The comments following do not reveal substantive data, but instead appear to provide the consultant's characterization of the data.
61	3-114	Withdrawn.
65	3-119	Withdrawn.
66	3-120	Withdrawn.
66	3-121	Withdrawn except with respect to the first sentence of the second paragraph in 3-121. Sustained as to this sentence, which discloses information concerning Premera's investment strategies that appears to constitute significant proprietary data and trade secrets.
67	3-122 and 3-123	Sustained as to 3-122, which provides Premera's impairment criteria. Disclose 3-123, which provides the consultant's opinion without stating the detail of the underlying assumptions and does not appear to reveal significant proprietary data or trade secrets.
67	3-124	Withdrawn.
68-69	3-126 through 3-128	Withdrawn.
70	3-129	Sustained. The OIC considers redaction of this page appropriate. Premera represents that the information is not-available in the Annual Report or any other public document. This detailed statement of General & Administrative Expense reveals significant proprietary data and trade secrets.
79	3-136 through 3-138	Withdrawn.
81	3-142	Withdrawn with respect to everything but the second and third sentences. Those sentences appear to relate to the details of Premera's intended tax treatment of conversion costs, and reveal significant proprietary data or trade secrets, which have not been shown to be available from public sources.
84	3-144	Disclose, except for the redaction proposed by the OIC of the number preceding the "%." The sentence remains coherent with this redaction of information that constitutes significant proprietary data and a trade secret.
84	3-145	Disclose, except for the redaction proposed by the OIC of numbers. The sentence remains coherent with this redaction of information that constitutes significant proprietary data and a trade secret.
84	3-146	Disclose. This generalized description of Premera's claims processing methods and practices does not disclose significant proprietary data or trade secrets.
85	3-149	Withdrawn.
86	3-150 and 3-151	Withdrawn.
88	3-154	Withdrawn.
89	3-155	Disclose. See 3-146.
90	3-157	Disclose. See 3-146.
91	3-158	Disclose. See 3-146.
92	3-161; 3-163	Sustained. The passages disclose significant proprietary data and trade secrets concerning Premera's information technology systems (substantially similar to the surrounding passages for which the OIC considers redaction to be appropriate).
93	3-166 and 3-167	Withdrawn.

Report 4: Executive Compensation Review

Page	Redaction Number (OIC)	Ruling
5	4-1	Withdrawn.
7	4-2	Disclose. Premera's executive and director compensation appear to have previously been disclosed in publicly available filings and/or in connection with this conversion proceeding. The balance of this passage is conclusory and does not reflect significant proprietary data or trade secrets.
8	4-3a	Disclose. See 4-2.
8	4-3b	Disclose. See 4-2.
10	4-4a	Disclose, except for the numbers in the first paragraph following "approximately" and in the third paragraph following "collect." The OIC concedes that these portions are properly redacted. The remainder of this passage contains conclusions, which do not disclose significant proprietary data or trade secrets.
	4-4b	Disclose. This passage contains the consultant's conclusions and recommendations for executive compensation post-conversion.
	4-5	Disclose, except for the numbers preceding the "%s," which the OIC agrees are properly redacted. Descriptions of "triggering events" do not disclose significant proprietary data or trade secrets.
11	4-6	Disclose. See 4-2.
12-13	4-7 and 4-8	Disclose, but redact the "Key Findings," column on p.12 after paragraph 1, beginning "The level." and the numbers preceding the "%" signs on p. 13. The OIC concedes that these portions are properly redacted. The disclosed portions do not reflect significant proprietary data or trade secrets. See 4.2.
14	4-9 and 4-10	Disclose. See 4-2.
15	4-11	Disclose. See 4-2.
16	4-12	Disclose. See 4-2.
18	4-13	Disclose. See 4-2.
19 – 23	4-14 through 4-24	4-14. Disclose. See 4-2. 4-15. Disclose. See 4-2. 4-16. Disclose. See 4-2. 4-17. Disclose. See 4-2. 4-18. Disclose. See 4-2. 4-19. Disclose. See 4-2. 4-20. Disclose. See 4-2. 4-21. Disclose. See 4-2. 4-22. Disclose. See 4-2. 4-23. Disclose. See 4-2. 4-24. Disclose. See 4-2.
23	4-25 and 4-26	4-25. Disclose. See 4-2. 4-26. Disclose. See 4-2.
24	4-27	Disclose. See 4-2.
24	4-28 and 4-29	Disclose. See 4-2.

25	4-30	Disclose. See 4-2. .
25	4-31	Disclose. See 4-2.
26	4-32a	Disclose. This general statement concerning Premera's Change-in-Control policy does not constitute significant proprietary data or trade secrets. See 5-1.
26 – 27	4-32b and 4-33a	Disclose 4-32b up to "PwC estimates." See 4-32a. Sustained as to the balance of this passage. This detailed description of Change-in-Control provisions constitutes significant proprietary data and trade secrets. The possibility of later disclosure in an IPO does not justify current disclosure.
27 – 28	4-33b through 4-35	4-33b. Disclose. See 4-32a. 4-34. Disclose. This general description and comparative characterizations of the Deferred Compensation plan does not disclose significant proprietary data or trade secrets. 4-35. Disclose. See 4.2.
29	4-36	Disclose. See 4-2.
29	4-37	Sustained. The OIC concedes that the detailed DB SERP information in this passage is not publicly available and its disclosure could be damaging to Premera. The possibility of later disclosure in an IPO does not justify current disclosure.
30	4-38	Disclose, except as to the numbers preceding the "% of salary" in paragraph 3, which the OIC agrees is appropriately redacted. See 4-34.
32	4-41	Disclose. This passage contains comparisons and conclusions regarding Premera's executive compensation structure, which do not reveal significant proprietary data or trade secrets.
34	4-42 and 4-43	Disclose. These passages track 4-44, redaction of which is withdrawn, and do not disclose significant proprietary data or trade secrets.
34	4-44	Withdrawn.
35	4-45	Disclose. This passage contains conclusions and generalizations, which do not disclose significant proprietary data or trade secrets.
36	4-46	Disclose. This passage tracks 4-47, redaction of which is withdrawn, and does not disclose significant proprietary data or trade secrets.
36	4-47	Withdrawn.
37	4-48	Disclose. See 4-45.
38 – 40	4-49 through 4-51	Disclose. See 4.2.
41-42	4-52 and 4-53	Disclose. See 4-50.
42	4-54	Disclose, except for the number preceding the "% of salary" in the cell re Premera's average 1999-2001 Company-Wide Turnover Rate. The OIC concedes that this number is properly redacted. The balance of the table does not reveal significant proprietary data or trade secrets.
42	4-55	Sustained. This detailed employee separation data constitutes significant proprietary data and trade secrets.
43	4-56	Disclose. These generalized data and conclusions do not reveal significant proprietary data or trade secrets.
44	4-57	Disclose. See 4-56. Cf 4-58, which is withdrawn.
45	4-58	Withdrawn.
46	4-59	Disclose. See 4-2. Also, Premera's filing for conversion opened to the public the outline of its conversion plans.
48	4-60	Disclose. See 4-41.
48	4-61 and 4-62	Disclose. See 4-26.

49	4-63	Disclose. See 4-26.
49	4-64 and 4-65	Disclose. See 4-62.
51	4-66	Disclose. Premera does not seek to redact the comparison of Outside Director compensation to competitive practices. The specifics of such compensation do not constitute significant proprietary information or trade secrets. See also 4-2.
51	4-67	Disclose. See 4-66.
55	4-68	Withdrawn.
56	4-69	Sustained. The OIC provides no support for its assertion that this material is available from public sources. This passage contains confidential premium and projected salary data, which constitute significant proprietary information or trade secrets.
59	4-70	Withdrawn.
60	4-71	Disclose. This passage sets out the methodology used by the consultant and does not disclose significant proprietary data or trade secrets.
61	4-72	Withdrawn.
67	4-73 through 4-75	Disclose. Though this table apparently contains industry-wide data from a private survey purchased by Premera, such data are not specific to Premera and do not constitute significant proprietary information or trade secrets.
67	4-76 and 4-77	Disclose. See 4-73.
68	4-78 and 4-79	Disclose. See 4-73.
69	4-80	Disclose. See 4-73.
69	4-81 and 4-82	Disclose. See 4-73.
69	4-83	Disclose. See 4-73.
70	4-84 through 4-86	Disclose. See 4-73.
70	4-87 and 4-88	Disclose. See 4-73.
72	4-89 and 4-90	Disclose. See 4-73.
72	4-91	Disclose. See 4-73.
73	4-92 and 4-93	Disclose. See 4-73.
73	4-94	Disclose. See 4-73.
74	4-95 and 4-96	Disclose. See 4-73.
74	4-97	Disclose. See 4-73.
75	4-98 and 4-99	Disclose. See 4-73.
75	4-100	Disclose. See 4-73.
76	4-101	Disclose. See 4-73.
76	4-102	Disclose. See 4-73.
76	4-103 and 4-104	Disclose. See 4-73.
77-78	4-105 and 4-106	Withdrawn.
79	4-107 and 4-108	Disclose. See 4-73.
79	4-109	Disclose. See 4-73.
80	4-110 and 4-111	Disclose. See 4-73.
80	4-112	Disclose. See 4-73.
82	4-113 and 4-114	Disclose. See 4-73.
82	4-115	Disclose. See 4-73.
85	4-116 and 4-117	Disclose. See 4-73.
85	4-118	Disclose. See 4-73.
90	4-119 and 4-120	Disclose. See 4-73.
90	4-121	Disclose. See 4-73.
92	4-122 and 4-123	Disclose. See 4-73.
92	4-124	Disclose. See 4-73.
93	4-125 and 4-126	Disclose. See 4-73.
93	4-127	Disclose. See 4-73.

94	4-128 and 4-129	Disclose. See 4-73.
94	4-130	Disclose. See 4-73.
95	4-131 and 4-132	Disclose. See 4-73.
95	4-133	Disclose. See 4-73.
96	4-134 and 4-135	Disclose. See 4-73.
96	4-136	Disclose. See 4-73.
98	4-137 and 4-138	Disclose. See 4-73.
98	4-139	Disclose. See 4-73.
99	4-140 and 4-141	Disclose. See 4-73.
99	4-142	Disclose. See 4-73.
100	4-143 and 4-144	Disclose. See 4-73.
100	4-145	Disclose. See 4-73.
101	4-146 and 4-147	Disclose. See 4-73.
101	4-148	Disclose. See 4-73.
102	4-149 and 4-150	Disclose. See 4-73.
102	4-151	Disclose. See 4-73.
103	4-152	Disclose. This consultant's conclusion about Premera's change-in-control benefits policy as compared with other practices does not reveal significant proprietary data or trade secrets.
103	4-153	Disclose. See 4-152.
104	4-154	Disclose. See 4-32a, 4- .
104	4-155	Disclose. See 4-152, 153.
105	4-156	Disclose. See 4-152, 153.
105	4-157	Disclose. See. 4-152, 153.
106	4-158	Disclose. See. 4-152, 153.
106	4-159	Disclose. See. 4-152, 153.
107	4-160	Disclose. See. 4-152, 153.
107	4-161	Disclose. See. 4-152, 153.
108	4-162	Disclose. See. 4-152, 153.
108	4-163	Disclose. See. 4-152, 153.
109 – 110	4-164 and 165	Sustained. This passage contains details of Executive Retirement Plans, which constitute proprietary data and trade secrets. The OIC concedes that the information in this passage is not publicly available and that its disclosure could be damaging. The possibility of later disclosure in an IPO does not justify current disclosure
111 – 112	4-166 and 4-167	Sustained. This passage includes the details of Executive Benefits. See 4-164.
113	4-168	Sustained. See 4-164, 4-166.
114	4-169	Withdrawn as to the portion of Premera's redaction that refers to its 401(k) plan. Sustained as to the remainder of the passage. The OIC concedes that the information in this passage is not publicly available and that its disclosure could be damaging to Premera. This detailed Retirement Plan description constitutes proprietary data and trade secrets. The possibility of later disclosure in an IPO does not justify current disclosure.
115	4-170	Withdrawn, as to all but the "Premera" column. Premera agrees with the modification to the redaction of the details of its health and welfare benefits, as proposed by the OIC.
116 – 120	4-171 through 4-175	Disclose. See 4-2.
124	4-176 and 4-177	Withdrawn.

Report 5: Tax Matters by PriceWaterhouseCoopers

Page	Redaction Number (OIC)	Ruling
3	5-1	Disclose. This passage is consistent with the unredacted statements related to tax-free treatment of conversion that follow, and provides no significant additional disclosure. Further, information related to Premera's conversion planning is in general less competitively sensitive and less deserving of protection from disclosure than are its normal business operations and plans.
3	5-2	Disclose. Withdrawn, as to "While a favorable private letter ruling would provide certainty with respect to this matter." As to the remainder, see 5-1.
3	5-3	Disclose. This passage is the consultant's conclusion, which does not reveal significant proprietary data or trade secrets. See 5-1.
4	5-4	Disclose. See 5-1.
4	5-5	Disclose. See 5-1. .
5	5-6	Withdrawn.
5	5-7	Withdrawn.
5	5-8	Disclose. See 5-1. .
6	5-9	Disclose. See 5-1. See also the consistent unredacted text at p. 7 of this Report.
8	5-10	Disclose. See 5-1.
8	5-11	Disclose. See 5-1. .
8	5-12	Disclose. See 5-1.
8	5-13	Disclose. See 5-1.
9	5-14	Sustained. Premera's reasons for its decisions constitute proprietary data and trade secrets. .
9	5-15	Disclose. See 5-1.
11	5-17	Sustained. The OIC concedes that this information is not publicly available. This passage contains E&Y's detailed analysis of the possible prospective tax impact of the proposed conversion transaction and Premera's intentions regarding future tax treatment, which constitute significant proprietary data and trade secrets.
12	5-18	Sustained. See 5-17. .
13	5-19	Disclosed, except bullet point 2 beginning "Possible loss." These conclusions do not reflect significant proprietary data or trade secrets. See also 5-1.
13	5-20	Sustained. See 5-17. .
14	5-21	Disclose. See 5-19.
14	5-22	Withdrawn, with the exception of "more likely..." which appears twice. Disclose the balance, which, though drawn from a draft opinion, does not reveal substantial proprietary data or trade secrets. .
15	5-24	Withdrawn.
16	5-25	Disclose. See 5-1. .
17	5-26	Disclose, except for the number in the first sentence of the third paragraph, which would disclose significant proprietary data and trade secrets. See 5-1.
17	5-27	Disclose. See 5-1. .

18	5-28	Disclose. See 5-1. .
19	5-29	Withdrawn.
19	5-30	Disclose. See 5-8.
21	5-31	Disclose. See 5-25.

Report 6: Valuation and Fairness Report by Blackstone Group

Page	Redaction Number (OIC)	Ruling
3	6-1 through 6-3	Sustained. The OIC concedes that the information in these passages is not currently publicly available. IPO timing plans constitute significant proprietary information and trade secrets.
6	6-4 and 6-5	Withdrawn.
6	6-7	Disclose. This conclusion does not disclose significant proprietary data or trade secrets.
6	6-8	Withdrawn.
7	6-9	Disclose. The consultant's generalizations and conclusions do not disclose significant proprietary data or trade secrets.
7	6-10	Disclose. See 6-9.
7	6-11	Disclose. The expected dilutive effect of an IPO to the Foundation Shareholders reflects the consultant's opinion, and does not reveal significant proprietary data or trade secrets.
7	6-12	Disclose. Management's alternative scenario on the subject of 6-11 does not reveal significant proprietary data or trade secrets.
7	6-13	Disclose. This conclusion about tax risks does not reflect significant proprietary data or trade secrets.
7	6-14	Sustained. Premera's estimate of ongoing public company expenses constitutes confidential proprietary data and trade secrets.
9	6-15	Disclose. This conclusion about tax risks does not reflect significant proprietary data or trade secrets.
9	6-16 and 6-17	Sustained. The Interveners do not object to this redaction. The OIC does not identify the alleged public source of this information. This information is related to Premera's proprietary financial records and its status as a licensee of the Blue Marks and constitutes significant proprietary data and trade secrets.
18	6-18 through 6-21	Withdrawn.
19	6-22	Sustained. Premera's capital expenditure plans constitute significant proprietary data and trade secrets.
22	6-28	Disclose. This conclusion about comparative capital expenditures does not reflect significant proprietary data or trade secrets. .
22	6-29	Sustained. The OIC concedes that this detailed CapEx information is not currently publicly available, and Interveners do not support the assertion that it is. These data reflect significant proprietary data and trade secrets.
24	6-30	Disclose. This conclusion about potential new debt does not reflect significant proprietary data or trade secrets
24	6-31	Sustained. The details of current EBIDA and debt have not been shown to be publicly available and reflect significant proprietary data and trade secrets
26	6-32 through 6-35	Withdrawn.
27	6-36	Disclose. This factual information is comparable to 6-4. The balance is a conclusion, which does not disclose significant proprietary data or trade secrets. .
26	6-37	Sustained. The Interveners do not object to this redaction.

		OIC agrees that most of this passage is appropriate for redaction. The entire chart appears to contain significant proprietary data and trade secrets.
28	6-39	Disclose. This chart essentially reflects the consultant's observations based on the initial IPO size, which has already been disclosed (see 6-5). The chart does not contain significant proprietary data or trade secrets.
29-33	6-40 through 6-43	Withdrawn.
33	6-44	Disclose. This generalization about tax attributes and IT planning does not disclose significant proprietary data or trade secrets.
33	6-45	Disclose, except for the number in the paragraph beginning "After conversion." The balance of this passage does not disclose significant proprietary data or trade secrets.
34	6-47	Sustained, except as withdrawn. The OIC and the Interveners agree that the 2003-2007 columns are appropriate for redaction. Premera is willing to withdraw its redaction of the 2002 column.
34	6-48	Sustained as to the number for 2003 conversion expense. The OIC concedes that this information is appropriate for redaction. Premera has withdrawn its redaction of the portion of the footnote that refers to 2002 expenses only.
35	6-49	Disclose. This generalization about principal contributors to profitability does not disclose significant non-public proprietary data or trade secrets.
35	6-50	Sustained, except as to the 2002 column. The OIC and the Interveners agree that the 2003-2007 columns are appropriate for redaction. That the 2002 data may not be publicly available "in the manner presented," as stated by Premera, does not mean that the data is not publicly available.
36	6-51	Withdrawn.
37	6-52	Sustained. This passage reflects the details of Premera's historical and projected operating results, which constitute significant proprietary data and trade secrets.
38	6-55	Sustained. The OIC concedes that this information is appropriate for redaction. The Interveners contend that 2002 conversion expenses are public, but this footnote relates to 2003 and 2004 expenses, which are not public and constitute significant proprietary data and trade secrets.
43	6-56	Disclose. This generalization about Premera's profitability does not disclose significant proprietary data or trade secrets.
43	6-57	Sustained. The OIC and the Interveners agree that the 2003E and 2004E columns are appropriate for redaction. The OIC concedes that the 2002 information is not publicly available; the Interveners provide no support for the allegation that it is. Premera asserts that it does not publicly report EBITDA financial results, which constitute significant proprietary data and trade secrets. The potential availability of 2002 data at the time of an IPO is not relevant to whether it is currently confidential.
43	6-58	Withdrawn as to the portion of the footnote referring to \$5.6 million in expenses in 2002. Sustained as to the balance of the passage, relating to Premera's projected financial results, which are significant proprietary data and trade secrets.
First letter	6-61	Withdrawn.

Report 7: Evaluation by Cantilo & Bennett, LLP

Page	Redaction Number (OIC)	Ruling
9	7-1	Disclose. This passage presents the consultant's conclusions as to Premera's post-conversion tax liability and does not disclose significant proprietary data or trade secrets.
9	7-2	Disclose. This passage generalizes about Premera's historical practices in unprofitable markets and does not disclose significant proprietary data or trade secrets
9	7-3	Disclose. This passage reflects the consultant's opinion about Premera's treatment of alternatives to conversion. Though Premera criticizes the accuracy of the consultant's premises, the passage does not disclose significant proprietary data or trade secrets
9-10	7-4	Disclose. See 7-3.
10	7-5	Disclose. See 7-3.
10	7-6	Withdrawn.
13-14	7-7; 7-8	Withdrawn.
15	7-9	Disclose. This passage contains the consultant's opinions, substantially based on PwC's opinions, which are disclosed. See 5-1, 5-19.
16	7-10	Disclose. See 7-9.
16	7-11	Disclose. See 7-2. .
17 - 18	7-12 and 7-13	Disclose. This passage presents the consultant's opinions, based on general characterizations of Premera's management retention policies, and does not disclose significant proprietary data or trade secrets. That the consultant's opinions may be considered critical does not affect their disclosure.
19	7-14	Withdrawn.
19	7-15	Withdrawn.
19	7-16 and 7-17	Disclose. See 7-3 and 7-4.
25	7-18	Disclose. See 7-1.
25	7-19	Sustained. The potential timing of the IPO constitutes significant proprietary data and trade secrets.
35	7-20 and 7-21	Withdrawn in part. Premera limits the redaction of 7-21 to the phrase beginning "an outline" and ending "draft reports." Sustained as to the remainder of this passage. Interveners did not object to this redaction. Premera's endorsement strategies constitute significant proprietary data and trade secrets.
38	7-22	Withdrawn.
44	7-23	Withdrawn.
53	7-25	Withdrawn, except for the agreed redaction of the number for Premera's internal estimate of its 2003 net worth proposed by OIC; this constitutes significant proprietary data and a trade secret.
58	7-26	Sustained. See 6-14.
58	7-27	Withdrawn.
58 – 59	7-28 and 7-29	Disclose. The consequence of lost benefits to Premera's federal income tax rate is based on tax opinions related to conversion and does not disclose significant proprietary data or trade secrets. See 5-1, 7-1, 7-9.
59 – 60	7-30 and 7-31	Disclose. See 5.1, 5.17, 7-1 and 7-9. .

60	7-33	Withdrawn.
60	7-34	Disclose. See comments to 7-1 and 7-9 above.
65	7-35	Disclose. See 7-1. .
65	7-36	Sustained. The redacted passage quotes a confidential presentation to the Premera Board of Directors which has not been shown to have been made public and which constitutes proprietary data and trade secrets. The Interveners did not object to this redaction
66	7-37 and 7-40	Withdrawn.
66	7-38	Sustained. See 7-36.
66	7-39	Disclose, except for all numbers in this passage. Premera agrees with the OIC's proposed modification to the redactions as to market share (first two sentences). After redaction of numbers, the balance of the passage contains opinions and generalizations, and does not disclose significant proprietary data or trade secrets.
67	7-41 and 7-44	Withdrawn.
67	7-42	Disclose, except for the numbers preceding "percent." (Premera agrees to the modification of the redaction proposed by the OIC.)
67	7-43	Disclose. Premera's intended use of IPO proceeds is central to this conversion proceeding. This generalization about such intended use does not disclose significant proprietary data or trade secrets.
68	7-45 through 7-47	Disclose. These generalizations about the "value drivers" of New Premera and about the pros and cons of conversion do not disclose significant proprietary data or trade secrets.
69	7-48	Withdrawn.
69	7-49	Disclose. That Premera has "target operating margins" is unremarkable. This generalized discussion of target and projected financial results does not disclose significant proprietary data or trade secrets.
69 – 70	7-50	Disclose, except for the numbers preceding "percent." The balance of the passage contains generalizations related to operating margins and does not disclose significant proprietary data or trade secrets.
70 – 72	7-51 and 7-52	Sustained, except for the portion beginning "PwC has developed" and continuing through the end of 7-51, and the last two sentences of 7-52. Premera's detailed operating results by line of business and financial projections constitute significant proprietary data or trade secrets. This balance of this passage does not. .
70	7-53	Withdrawn.
72	7-54	Disclose. This generalization about past performance and premium practices not reveal significant proprietary data or trade secrets.
73	7-55	Disclose. PwC's general conclusions about premium trends necessary to achieve target returns do not reveal significant proprietary data or trade secrets.
73	7-56	Disclose last sentence, which is a generalization about unprofitable markets. This sentence does not reveal significant proprietary data or trade secrets. Sustained as to the balance of this passage, which describes management policies and does reveal significant proprietary data or trade secrets.
74-76	7-57 through 7-59	Sustained. Premera represents that the terms of the BSBCA

		License Agreement discussed extensively in these passages are confidential; these reveal significant proprietary data or trade secrets. <i>Except</i> , disclose the sentences beginning “Thus, access,” after fn. 272, p. 75; “Even in the remotely possible case,” at the bottom of p. 75; and “Premera has not indicated,” at the end of 7-57; as well as footnotes 7-58 and 7-59. These conclusions and footnotes do not reveal significant proprietary data or trade secrets.
75	7-60	Disclose. See 7-58, 7-59.
76	7-61	Disclose. This observation about the factors that may be driving management’s decision to seek conversion reflects the consultants’ opinions and does not reveal significant proprietary data or trade secrets. .
77	7-63 and 7-64	Withdrawn.
79-83	7-65	Disclose. This section discusses of the advice provided by Premera’s financial advisor, Goldman Sachs, regarding the options presented to and considered by the Premera Board and management prior to the decision to seek conversion. This review of the options does not reveal significant proprietary data or trade secrets. .
79-83	7-66 through 7-70; 7-72 through 7-74	Withdrawn.
83	7-71	Withdrawn.
85	7-75 and 7-76	Sustained. Premera’s assessment of its competitors during confidential Board presentations constitutes significant proprietary data and trade secrets. .
85	7-77 through 7-80	Withdrawn.
86	7-81	Sustained. Premera asserts that the redacted statement is from a confidential document related to its possible strategic alliance with a competitor. This statement reveals significant proprietary data and trade secrets.
86	7-82	Sustained. This passage quotes from Premera confidential Board presentations prepared by its financial advisors and provides financial projections for various strategic alternatives. The passage reveals significant proprietary data and trade secrets.
86-87	7-83	Disclose. This passage contains the consultant’s opinions about the quality of the Premera Board’s decision-making and does not reveal significant proprietary data or trade secrets.
87	7-84	Disclose. See 7-83.
87-88	7-85 through 7-90	Withdrawn.
89	7-91	Disclose. See 7-27 (withdrawn), which appears to discuss this issue.
90	7-92 through 7-95	Disclose. This general discussion of management retention and incentives does not reveal significant proprietary data or trade secrets.
90	7-96 through 7-99	Withdrawn.
100	7-100	Disclose the first sentence, which is the opinion of the consultant regarding Premera’s diligence, or lack thereof, and does not reveal significant proprietary data or trade secrets. Sustained as to the second sentence, concerning a possible specific merger/acquisition opportunity, which does.
101	7-101 and 7-103	Withdrawn.
101	7-102	Withdrawn.
101	7-104	Withdrawn, except for parenthetical comment number 1.

		Sustained as to that comment, which reflects a specific consequence of loss of the Mark, and reveals significant proprietary data and trade secrets. .
101	7-105	Withdrawn.
102	7-106	Disclose. This passage contains the consultant's opinion as to the level of restrictions necessary to maintain the Mark, and does not reveal significant proprietary data or trade secrets.
106	7-107 and 7-108	Withdrawn.
107	7-109 through 7-110	Withdrawn.
107	7-111	Disclose. This statement concerning the relationship between IPO size and dilution of the Foundation Shareholder's interest does not reveal significant proprietary data or trade secrets.
107	7-112	Disclose. Premera's alternative dilution scenario does not reveal significant proprietary data or trade secrets.
107	7-113	Withdrawn.
108	7-114	Sustained. The Blackstone Group valuation, incorporated by reference here, appears to be based upon Premera's confidential financial analysis and projections and reveals significant proprietary data and trade secrets.
111-112	7-115 (a) and (b)	Disclose. This passage contains the consultant's conclusions about the potential tax consequences of conversion and does not reveal significant proprietary data or trade secrets.
112	7-116	Disclose. This generalization about Premera's market power and "target financial results" does not reveal significant proprietary data or trade secrets.
112	7-117 and 7-118	Withdrawn.
113	7-119	Disclose. See 7-116. ''.
113	7-120	Withdrawn.
113	7-121	Disclose. This passage presents the consultant's view of Premera's attitude about alternatives to conversion and does not reveal significant proprietary data or trade secrets.
113	7-122	Disclose. This passage presents the consultant's conclusions about the Board's due diligence and does not reveal significant proprietary data or trade secrets
113-114	7-123 and 7-124	Disclose. See 7-122.
114	7-125	Disclose. This passage presents the consultant's conclusions related to conflicts of interest and does not reveal significant proprietary data or trade secrets
114	7-126	Withdrawn.
115	7-127	Disclose. Premera's present response to concerns that the Foundation Shareholder will be utilized for Premera's benefit does not constitute significant proprietary data or trade secrets.
116	7-128	Withdrawn.
116	7-129	Withdrawn.